

after the date of issuance, if, and only if, it finds that such issuance is reasonably required for (i) the acquisition by the issuing company of property or (ii) the construction, completion, extension or improvement of its facilities, or (iii) the discharge or lawful refunding of its obligations, or (iv) the maintenance or improvement of service, or (v) the reimbursement of moneys (not secured by or obtained from such issuance) expended for any of the purposes enumerated in items (i) through (iii) of this subsection, within five years next prior to the filing of an application with the commission for such reimbursement, or (vi) such issuance may also be authorized by the commission, in its discretion, for the purpose of making the aggregate capitalization of the company conform to the value of its property.

(b) Any authorization by the commission pursuant to the preceding subsection shall be by order, shall specify the amount of the issuance authorized, and shall recite that such issuance is reasonably required for one or more of the purposes enumerated in the preceding subsection, which shall be specifically designated.

(c) Nothing in this section shall prevent any public service company from issuing, without the prior consent of the commission, notes for proper corporate purposes, not otherwise in violation of law, payable at periods totaling not more than twelve months after date of issuance; but no such notes shall be refunded directly or indirectly, in whole or in part, by any evidence of indebtedness running for more than twelve months, except in accordance with the two previous subsections.

(d) Notwithstanding the preceding subsections of this section, the commission is empowered to approve the issuance of such stocks, bonds, securities, notes, or other evidences of indebtedness in such amounts in connection with the organization of a new public service company by the purchasers of the franchises or property of any public service company sold under judicial proceedings, mortgage or deed of trust, as may in the judgment of the commission be necessary fully to protect the rights and equities of the holders of the securities of the predecessor company.

59. (*Limitations on Capitalization.*)

(a) No public service company shall be permitted to capitalize or issue any bonds against or as lien upon any contract for consolidation, merger or lease, or to capitalize any franchise of any character, or right to own any such franchise, in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or a political subdivision as consideration for the grant of such franchise or right.

(b) The stated capital (as defined in article 23, the general corporation law) of a public service company formed by the merger or consolidation of two or more corporations shall not exceed merely by virtue of such merger or consolidation the stated capital of the corporations so merged or consolidated, or such stated capital of the merged or consolidated corporations plus any additional sum paid in cash.

(c) Notwithstanding any provision in this article to the contrary, the commission may approve the capitalization of tangible and intangible property (other than the franchise to be a corporation) of any newly chartered public service corporation or any public service corporation organized or reorganized by the purchasers of